

Message Text

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ORIGIN NEA-12

INFO OCT-01 ISO-00 EB-11 AID-20 IO-14 L-03 H-03 SPC-03

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 DODE-00 PA-04 USIA-15 PRS-01

/169 R

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APPROVED BY NEA/ARP:FMDICKMAN

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EB/IFD/ODF - KSTOCKER (PHONE)

AID/YAR - ARUIZ

----- 060209

P R 072222Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

INFO AMEMBASSY SANAA

S E C R E T STATE 219904

E.O.: 11652: GDS

TAGS: EAID, YE, SA

SUBJ: ECONOMIC ASSISTANCE TO YAR

REF: (A) JIDDA 4778, (B) SANAA 1440, (C) SANAA 2131

1. WHILE VERY USEFUL, BELIEVE INDIVIDUAL DETAILED FIGURES IN SANAA'S 2131 RE U.S. CONTRIBUTION TO FUTURE UN AND WORLD BANK AID TO YAR SHOULD NOT BE GIVEN TO SAUDIS AT THIS TIME, AS THEY ARE INDICATIVE PLANNING FIGURES, SUBJECT TO WORLD BANK AND UN APPROVAL OF PROJECTS AND CONGRESSIONAL APPROVAL OF U.S. CONTRIBUTION TO UN AND U.S. PARTICIPATION IN FOURTH IDA REPLENISHMENT.

2. AGREE WITH RECOMMENDATION PARA 6 REF C. HOWEVER, SHOULD EMBASSY JIDDA BELIEVE IT NECESSARY TO PROVIDE SECRET

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INTERIM RESPONSE BEFORE END FIRST HALF OF FY 74, JIDDA

AUTHORIZED TO SAY THAT \$6.2 MILLION IS OUR BEST ESTIMATE
FOR TOTAL AMOUNT OF U.S. BILATERAL AND MULTILATERAL
ASSISTANCE ACTUALLY PROVIDED TO YAR FROM JULY 1, 1972
THROUGH OCTOBER 31, 1973. BY QUOTE ACTUALLY GIVEN UNQUOTE
WE INCLUDE FUNDS EITHER ALLOTTED, OBLIGATED OR DISBURSED.
FOLLOWING IS BREAK-DOWN:

(\$000)

A. USAID FY 73 JULY 1 -OCTOBER 31, 1973

TECHNICAL ASSISTANCE 2,070 950 (300 OBLIGATED, 650 ALLOTTED)

P.L. 480 FOOD 850 --- (FOOD TO BE SHIPPED
2ND QUARTER FY 74)

B. U.S. SHARE OF UN ACTIVITY	1,400	525
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C. U.S. SHARE WORLD 350 N.A.
BANK PROJECTS

D. PEACE CORPS --- 55

TOTAL	4,670	1,530
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3. AMOUNT OF US ASSISTANCE ACTUALLY PROVIDED TO YAR TO DATE IS NOT INSIGNIFICANT CONSIDERING FACT WE HAVE HAD RESIDENT AID MISSION IN COUNTRY FOR ONLY 6 MONTHS. IN PROVIDING FIGURE TO SAG, YOU SHOULD EMPHASIZE THAT IT DOES NOT FULLY REFLECT OUR ON-GOING COMMITMENT TO YAR DEVELOPMENT WHICH TIED TO JUST-BEGINNING WORLD BANK, UN AND BILATERAL PROJECTS OF 3 TO 5 YEARS OR MORE DURATION. YOU MAY WISH TO POINT OUT:

(A) FIGURE FOR BILATERAL ASSISTANCE DOES NOT INCLUDE
FY 74 PL 480 FOOD AID, WHICH, SUBJECT TO COMMODITY
AVAILABILITY, LIKELY TO RUN WELL IN EXCESS OF \$2 MILLION
ENVISAGED, SINCE AID WILL ATTEMPT MAINTAIN LEVEL OF
COMMODITIES ORIGINALLY APPROVED, EVEN THOUGH PRICES HAVE
RISEN CONSIDERABLY. ALSO, BILATERAL AID FIGURE DOES NOT
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INCLUDE MAJOR EXTENSION OF TAIZ WATER SYSTEM AND SEWERAGE NETWORK, WHICH LIKELY TO COST AT LEAST \$5 MILLION;

(B) FIGURE FOR UN ASSISTANCE DOES NOT TAKE INTO ACCOUNT 5 YEAR DEVELOPMENT PROGRAM WHICH YAR WILL DISCUSS WITH UNDP IN JANUARY 1974 AND TO WHICH U.S. WILL BE A MAJOR CONTRIBUTOR:

(C) , DISBURSEMENT FIGURE FOR WORLD BANK PROJECTS IS ONLY TIP OF ICEBERG. IN PAST YEAR AND A HALF, WORLD BANK HAS APPROVED \$30 MILLION IN PROJECT AND GRANT AID FOR THE YEAR, OF WHICH LESS THAN \$1 MILLION HAS BEEN DISBURSED. APPROVED AND, WE UNDERSTAND, CONTEMPLATED IDA PROJECTS ARE LIKELY TO AVERAGE \$12-14 MILLION PER YEAR THROUGH FY 77. IT IS A WELL-KNOWN FACT THAT U.S. IN PAST HAS PROVIDED APPROXIMATELY 40 OF IDA REPLENISH-

MENTS AND WILL REMAIN THE LARGEST SINGLE DONOR COUNTRY FOR IDA.

THEREFORE, \$6.2 MILLION FIGURE FOR ACTUAL U.S. AID TO YEAR OVER PAST 15 MONTHS IS NOT INDICATIVE OF LIKELY SIZE OF U.S. ASSISTANCE TO YEAR OVER NEXT FEW YEARS.

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